

## LOTTERY TICKET DISTRIBUTION SYSTEM

### CROSS-REFERENCE TO RELATED APPLICATION

This application is related to United States provisional patent application serial No. 60/254,225, filed December 8, 2000 and entitled "Lottery Ticket Distribution System." The Applicants hereby claim the benefit of this provisional patent application under 35 U.S.C. §119(e). The entire content of this provisional application is incorporated herein by this reference.

### TECHNICAL FIELD OF THE INVENTION

The invention relates to gaming systems and more particularly to an apparatus and method for distributing gaming or lottery tickets from a central distribution facility to remote terminals.

### BACKGROUND OF THE INVENTION

Lottery games have become popular in many jurisdictions in United States and elsewhere. As used in this disclosure a "lottery game" is a game that is played with a set of predefined game records or tickets, each game record or ticket representing a chance in the game. Each game record or ticket is associated with a result or outcome in the game. Some results represent wins in the game and call for the player to receive cash or other prizes, while other results provide no payout.

Traditional lottery games are played with a paper lottery ticket. These lottery tickets are printed with graphics consistent with a theme of the game. The printed graphics include

1       indicia that are correlated to a result associated with that ticket, and thus indicate the result  
2       associated with the ticket. In traditional paper lottery games, the indicia indicating the results  
3       associated with the ticket are covered or obscured until the ticket is issued to a player so that  
4       no one can determine the result associated with the ticket until after it is issued to a player.  
5       Once the player obtains the ticket, he or she may remove the cover or obscuring material to  
6       read the results of the ticket.

7               The paper tickets in a traditional paper ticket lottery game are distributed to sales  
8       locations in large groups of tickets commonly in the form of a continuous roll of material with  
9       individual tickets separated by perforations or break lines. The tickets are randomly ordered in  
10       the group and are sold and distributed sequentially from the randomized group of tickets so  
11       that the results in the lottery game are distributed to players in a random order unknown to the  
12       players or ticket sellers. Once a player receives their paper lottery ticket, he or she may  
13       remove the cover or obscuring material and determine if the particular card has a winning or  
14       losing result.

15              Traditional lottery games have been implemented in electronic form in which the tickets  
16       comprise electronic data structures or data records rather than physical paper tickets. These  
17       electronic tickets normally include at least an indicator from which the result associated with  
18       the ticket may be determined and a ticket identifier. The electronic tickets, that is, the data  
19       records representing electronic tickets, are commonly grouped in data files and distributed in  
20       some random order from the file (either sequentially from a randomly ordered file or randomly  
21       from an ordered file). These electronic lottery tickets are purchased through an electronic

1 player terminal. In the course of play, a player requests an electronic ticket or play in the  
2 game at the terminal and the results of the electronic ticket assigned to the player are displayed  
3 at the terminal.

4 A major advantage of electronic lottery games is that the results may be displayed in a  
5 variety of interesting formats that enhance the entertainment value of the game. Also, since  
6 paper tickets are not created or distributed, electronic lottery games avoid the costs associated  
7 with printing paper tickets and then distributing the paper tickets. Electronic lottery games  
8 also avoid the security costs associated with handling paper tickets. On the other hand, paper  
9 ticket lottery games are more familiar to players and regulators and may have a higher level of  
10 acceptance for that reason. However, both electronic lottery and traditional paper lottery games  
11 are identical in providing predetermined and readily verifiable chances of winning or losing in  
12 the game. The amounts paid out to players in the game and amounts held by the lottery  
13 operator are also predetermined.

#### 15 SUMMARY OF THE INVENTION

16 It is an object of the invention to provide a lottery ticket distribution system that  
17 provides the desirable aspects of both traditional paper lottery games and electronic lottery  
18 games.

19 A lottery ticket distribution system according to the invention includes a ticket  
20 distribution center that is in electronic communication with a number of player terminals at  
21 locations remote to the ticket distribution center. The ticket distribution center includes an

1 electronic ticket storage device for storing a game set of electronic tickets and distributing the  
2 electronic tickets to the player terminals. A ticket record manufacturing device operatively  
3 connected to the ticket distribution center provides either a nonvolatile data record for each  
4 ticket or a hard copy ticket, or both. The nonvolatile data records or set of hard copy tickets  
5 for a given game set are not distributed to the players, but are held for verification and dispute  
6 resolution purposes either at the ticket distribution center or some other secure location.

7 The player terminals included in the lottery ticket distribution system include a display  
8 for displaying the results associated with electronic ticket data communicated from the ticket  
9 distribution center. According to the invention, each player terminal also includes a player  
10 ticket printer for printing a player ticket with the result included in the data representing the  
11 electronic ticket. Thus, the player terminals in the present system provide a graphic display to  
12 show the player the results of a ticket in the system in an entertaining format, and also provide  
13 a hard copy ticket including a replica of a hard copy or data record held for verification  
14 purposes.

15 The method of distributing lottery tickets according to the invention includes storing the  
16 game set of electronic tickets at the ticket distribution center and producing the game set record  
17 preferably at the ticket distribution center. The game set includes a number of electronic  
18 lottery tickets, each represented by a collection of ticket data that includes at least a result for  
19 the respective ticket and a ticket identifier that distinguishes the ticket from others in the set.  
20 The method includes communicating the ticket data to one of the player terminals remote from  
21 the ticket distribution center. The player ticket printer at the player terminal prints the player

1 ticket with at least a result and a ticket identifier. The player terminal also displays a  
2 representation indicating the result included with the ticket data for the respective electronic  
3 ticket. In the preferred form of the invention the player terminal first displays results and then  
4 releases the printed ticket. The player may redeem the ticket for any winnings or winnings  
5 may be awarded at the player terminal.

6 The lottery ticket distribution system according to the invention provides all the benefits  
7 of traditional lottery games as well as many of the benefits of electronic lottery games. The  
8 results of a play in the game may be displayed in some exciting format at the player terminal  
9 and the game may be played relatively quickly. However, the player terminals also provide  
10 players with physical paper lottery tickets that represent a replica of the previously created  
11 lottery tickets which have been stored for verification and dispute resolution purposes.

12 These and other objects, advantages, and features of the invention will be apparent  
13 from the following description of the preferred embodiments, considered along with the  
14 accompanying drawings.

## 15 BRIEF DESCRIPTION OF THE DRAWINGS

16 Figure 1 is a diagrammatic representation of a lottery ticket distribution system  
17 embodying the principles of the invention.

18 Figure 2 is a diagrammatic representation of an electronic lottery ticket game set used  
19 according to the invention.

20 Figure 3 is a flowchart showing the process steps performed at the distribution center  
21

1 shown in Figure 1.

2 Figure 4 is a flowchart showing the process steps performed at the player terminal  
3 shown in Figure 1.

#### 5 DESCRIPTION OF THE PREFERRED EMBODIMENTS

6 Referring to Figure 1, a lottery ticket distribution system 8 according to the invention  
7 includes a distribution center shown generally at reference numeral 9 and at least one, and  
8 preferably many, player terminals 10. As will be discussed in detail below, distribution center  
9 creates electronic lottery tickets, a hard copy or printed copy of each electronic ticket, and/or  
10 a nonvolatile data record for each electronic ticket. The hard copy tickets and nonvolatile data  
11 record are not distributed according to the invention but are stored at a secure location for  
12 reference or reconciliation purposes. Only the electronic lottery tickets are distributed to  
13 players from distribution center 9.

14 The electronic lottery tickets are distributed over a secure communications arrangement  
15 to remote player terminals such as player terminal 10 where the individual lottery tickets may  
16 be purchased. According to the invention, the electronic lottery tickets are distributed to  
17 player terminal 10 and then printed at a printing device at the player terminal as a replica of  
18 the corresponding hard copy lottery ticket held at the secure location. "Replica" in this sense  
19 means that the hard copy ticket record printed at the player terminal 10 shows the outcome of  
20 the electronic lottery ticket along with sufficient identifying information to uniquely associate  
21 the remotely printed ticket record with both the corresponding electronic lottery ticket record

1 and the hard copy record printed at the distribution center.

2 Distribution center 9 includes a manufacturing computer system 11 connected to  
3 communicate with a management computer 18 and a central computer 20. A local area  
4 network hub 17 is shown connecting the manufacturing computer 11, management computer  
5 18, and central computer 20 for communications between the respective computers.

6 Manufacturing computer 11 includes a ticket record manufacturing device comprising  
7 ticket printer 14 for printing the hard copy representations of the electronic lottery tickets, that  
8 is, each game set of tickets manufactured at the manufacturing computer. An additional ticket  
9 record manufacturing device comprising CD writer 15 is also operatively connected to the  
10 manufacturing computer 11 to allow the manufacturing computer to store a large number of  
11 data records or electronic tickets on a CD or optical disk. Other types of nonvolatile data  
12 storage media may be used alternatively to an optical disk and thus the manufacturing  
13 computer may include some alternative device rather than a CD writer. Also, alternate forms  
14 of the invention may include only printer 14 or only nonvolatile data storage device 15, but not  
15 both. It will be appreciated that manufacturing computer system 11 also includes a processor  
16 16 with associated random access memory and other computer system components which are  
17 not shown in the drawing.

18 Management computer 18 communicates with both the manufacturing computer 11 and  
19 central computer 20 for producing system management and maintenance reports and other  
20 materials. Although not shown in the drawing, it will be appreciated that management  
21 computer 18 includes a display, suitable user interface, and perhaps a printer for printing the

1 desired reports.

2 Central computer 20 receives electronic lottery tickets from manufacturing computer 11  
3 and stores the electronic tickets until a ticket or a number of tickets are requested from a player  
4 terminal 10. When requested by a player terminal 10, the electronic tickets are communicated  
5 to the requesting terminal through communications arrangement 22. Further details of the  
6 operation of central computer 20 will be described with reference to the flowchart shown in  
7 Figure 3.

8 Although the form of the lottery ticket distribution system 8 shown in Figure 1 shows  
9 manufacturing computer 11, management computer 18, and central computer 20 as separate  
10 processing devices, it will be appreciated that a single processing device may be used to  
11 perform the functions required of the distribution center 9. Alternatively, the processes  
12 required at distribution center 9 may be distributed differently among a different arrangement  
13 or architecture of computer systems. For example, management functions may be  
14 implemented through the same computer used to manufacture the electronic lottery tickets, or  
15 implemented through central computer system 20.

16 Each player terminal 10 includes a computer having a processor 25, a data storage  
17 device 26, a player ticket printer or dispenser 27, and preferably a game video display 23. A  
18 coin or bill acceptor 21 may be included in player terminal 10 if players are allowed to  
19 purchase lottery chances at the player terminal without any interaction with a cashier or  
20 attendant. Each player terminal 10 also includes a communications arrangement 28.

21 Communications arrangement 28 is adapted to cooperate with communications arrangement 22



1 located at the distribution center 9 to provide the required data transmissions between the  
2 distribution center and player terminal 10. If the lottery game played through system 8 is  
3 implemented as a cashless electronic lottery game, each player terminal 10 may also include a  
4 player account card reader or account identifier entry device 19.

5 Communications between distribution center 9 and player terminals 10 may be  
6 accomplished in any suitable and secure manner. Regardless of the medium used for  
7 communicating the data, the data communicated between distribution center 9 and player  
8 terminals 10 are preferably encrypted to help prevent unauthorized access to the data. The  
9 communication medium may comprise an electronic medium dedicated for the communications  
10 such as a dedicated network, or may comprise a public network such as the Internet.  
11 Alternatively, communications between distribution center 9 and player terminals 10 may be  
12 through wireless communications. Any arrangement in which data may be transferred from  
13 one point to another may be used within the scope of the present invention for communications  
14 between distribution center 9 and player terminals 10.

15 Referring to Figure 2, electronic lottery tickets according to the invention are  
16 preferably created in groups which may be referred to as game sets. The preferred game set  
17 29 of electronic lottery tickets includes a game set header 30 including game set identifying  
18 information such as a game serial number, game set serial number, game name, and other  
19 game set identifying information (not shown). In addition to the game set header, each game  
20 set 29 includes a number of electronic ticket records 31. Each separate record represents an  
21 electronic lottery ticket and includes identifying information along with ticket outcome

1 information 32. Outcome information 32 preferably comprises a code or index that represents  
2 a certain outcome in the particular lottery game, and may further include an outcome value.

3 The identifying information may include a sequence identifier 34 identifying the order of the  
4 particular record in the game set, and a record serial number 35 which uniquely identifies the  
5 respective record/electronic ticket in the game set 29.

6 <sup>SUB A</sup> As indicated in Figure 3, the process employed by lottery ticket distribution system 8  
7 (Fig. 1) includes the step of manufacturing at least one game set of electronic tickets as shown  
8 at process block 40. Each game set preferably includes structure set out in Figure 2 and is  
9 manufactured in some suitable fashion at manufacturing computer 11 shown in Figure 1. Once  
10 the game set is manufactured, the present lottery ticket distribution process includes producing  
11 a hard copy record of the game set or a nonvolatile, preferably read-only, data record of the  
12 game set, or both the hard copy record and data record as indicated at process block 41. The  
13 hard copy record preferably comprises a number of printed tickets representing the electronic  
14 tickets or ticket records 31 and may be printed at printer 14 associated with manufacturing  
15 computer 11. The preferred data storage medium for the data record comprises a CD or  
16 similar optical medium. The hard copy printed tickets and/or data records for each game set  
17 are stored at a secure location and are used only for reconciliation and dispute resolution  
18 purposes.

19 Once the hard copy and/or data record are created at step 41, of the method may  
20 include dividing the game set into a number of subsets or "books" of electronic tickets as  
21 shown at step 43. Each of these subsets also preferably includes header information

1 identifying the respective game set from which the subset is created and distinguishing the  
2 subset from others. Whether the game sets are divided into subsets of electronic tickets or not,  
3 the electronic tickets are stored at step 44, and are made available to be communicated to a  
4 player terminal 10 upon a request issued from the respective terminal. Storing the electronic  
5 tickets as shown at step 44 in Figure 3 may be performed at manufacturing computer 11 or at  
6 central computer 20. In the preferred form of the invention, the entire game set is stored at  
7 manufacturing computer 11 and subsets of electronic game tickets are transferred as necessary  
to central computer 20.

8  
9  
10  
11  
12  
13  
14  
The step of communicating the electronic tickets to the player terminals 10 shown at  
process block 45 may include communicating individual electronic tickets, or subsets of  
electronic tickets for storage at the player terminals. Where a number of electronic tickets are  
stored at a player terminal 10 in Figure 1, the player terminal includes operational software for  
identifying when it needs a new supply of electronic tickets and automatically requesting  
additional tickets from distribution center 9.

15 Referring to Figure 4, the process controlled by operational software executed at each  
16 player terminal 10 includes the step of activating the terminal to dispense a ticket as shown at  
17 block 50. This activation step may be performed manually by a cashier or attendant after  
18 receiving a payment from a lottery ticket buyer. Alternatively, the player terminals may  
19 include a bill or coin acceptor for receiving cash from a player and activating to dispense a  
20 ticket in response to the received payment. As a further alternative, a player terminal 10 may  
21 be activated to dispense a ticket when a player enters a valid account number or identifier at

1 the player terminal by suitable means. In this alternative process for activating player terminal  
2 10 for dispensing one or more tickets, the player would have a previously established account  
3 preferably maintained at a database (not shown) associated with distribution center 9.  
4 Operational software at the player terminal communicates the player's account identifier to the  
5 distribution center 9 for determining whether the player's account is valid. If operational  
6 software executed at distribution center 9 finds from the stored account information that the  
7 player's account is valid, the distribution center communicates with the player terminal to  
8 indicate that the account is valid. The player terminal 10 responds to this valid account  
9 indicator by either dispensing an electronic ticket immediately to dispensing the ticket upon a  
10 play request or other input from the player at the player terminal.

11  
12  
13  
14  
15 Once player terminal 10 shown in Figure 1 is activated to dispense a ticket, the terminal  
16 either retrieves an electronic ticket from its storage 26 or communicates with distribution  
17 center 9 to retrieve a new electronic ticket as indicated at process block 51. At process block  
18 52, the player terminal then uses data in the retrieved electronic ticket to control the printing of  
19 a hard copy "distributed" ticket using ticket printer 27 at player terminal 10. This hard copy,  
20 distributed ticket preferably comprises a replica of the hard copy ticket record printed at  
21 distribution center 9 and stored at the secure location as described above. The distributed hard  
copy ticket is eventually dispensed at player terminal 10 as indicated at process block 53, to be  
taken by the player.

20 The hard copy ticket created at the player terminals 10 may be created any of a number  
21 of different formats. Each hard copy ticket will include a serial number or other unique

1 identifying indicia which identifies the hard copy ticket record with a particular electronic  
2 ticket record. This identifying information may be printed on the hard copy ticket or encoded  
3 onto a suitable medium such as a mag stripe on the ticket, or both. The hard copy ticket will  
4 also include some indicia or code showing the outcome of the electronic ticket that has been  
5 distributed from the distribution center and perhaps a prize value. In some forms of the  
6 invention the outcome and prize value may be printed so as to be immediately viewable by the  
7 player without having to remove any cover or obscuring material. In other forms of the  
invention, the outcome and prize value may be obscured from view and available for view only  
after removing some obscuring material or cover included on or with the ticket.

Regardless of the form of the printed lottery ticket distributed from player terminals 10,  
the player terminal preferably operates under the control of software to create some  
appropriate display at the display 23. For example, player terminal display 23 may respond to  
the information included with the received electronic lottery ticket to display a result in a reel-  
type game such as a slot machine. The display preferably begins by showing a representation  
of spinning reels as soon as the player enters a request for an electronic lottery ticket through  
the player terminal 10. Once the player terminal has retrieved the particular electronic lottery  
ticket, it can use the information included in the electronic ticket record to show the video  
representation of reels stopping in a condition consistent with the outcome included in the  
electronic ticket. It will be appreciated that the player terminals 10 may imitate other types of  
games including other traditional casino games such as poker or blackjack.

The printed ticket is dispensed from player ticket printer/dispenser 27 shown in Figure

1 1. In some forms of the invention, the player may redeem a winning ticket by going to a  
2 cashier or other entity authorized to redeem tickets purchased through the present distribution  
3 system. In other forms of the invention, the printed ticket dispensed from player terminal 10 is  
4 not redeemable itself but comprises a receipt or printed record of the lottery game played at the  
5 player terminal. In either case, a single piece of media distributed from the player terminal  
6 may be printed with more than one and perhaps numerous individual hard copy ticket records  
7 each corresponding to a different electronic ticket which has been purchased by the player  
8 through the player terminal 10. The single ticket card or media in this form of the invention is  
9 thus retained in the ticket printer/dispenser 27 shown in Figure 1 until the player is finished  
10 making requests for lottery tickets at the player terminal 10. When the player is finished at the  
11 particular terminal 10 and produces an end play signal by the removal of a player card from  
12 account card reader 19 or activation of a suitable control at the player terminal, ticket  
13 printer/dispenser 27 completes the printing step and dispenses the resulting ticket media.  
14 Actual printing on the hard copy ticket media may be done by printer/dispenser 27 in response  
15 to the receipt of each respective electronic lottery ticket either from the distribution center 9  
16 directly or from a supply stored locally or otherwise and printed when the player is finished at  
17 the respective player terminal 10. The result indicating representation is preferably displayed  
18 at the player terminal before the player ticket for that play is issued at the player terminal.

19 The lottery ticket distribution system 8 according to the invention allows lottery tickets  
20 having a predetermined outcome to be distributed securely in an electronic form without  
21 having to distribute preprinted tickets to player locations. The hard copy tickets printed at the

1 remote player terminals 10 may be redeemed like regular scratch-off lottery tickets or used as a  
2 receipt or record of play in a cashless electronic lottery-type gaming system.

3 The above described preferred embodiments are intended to illustrate the principles of  
4 the invention, but not to limit the scope of the invention. Various other embodiments and  
5 modifications to these preferred embodiments may be made by those skilled in the art without  
6 departing from the scope of the following claims.

FOI 345678901